First, it confines CLEC purchase of combined elements to areas where the CLEC is physically collocated. However, there are frequently situations where a customer with its principal place of business served by a CLEC's own network, or by an ILEC central office in which the CLEC is collocated, wants a single carrier to provide service to one or more satellite locations served by other ILEC central offices. Under BellSouth's scheme, the CLEC cannot serve the satellite locations through purchase of combined network elements, because it has no way of reconnecting those elements short of physically collocating at the ILEC central offices serving each satellite location. Even if the expense of collocation to serve a single customer's satellite location were justified, the time it typically takes to collocate (average installation interval of 117 days in Louisiana (BellSouth Brief at 35)) is not likely to be acceptable to a customer considering whether to give its business to the CLEC, where the incumbent carrier can provide immediate service to the satellite location. See Affidavit of David N. Porter (attached) at ¶ 11 ("Porter Aff't").[11] Thus the CLEC is at a competitive disadvantage in seeking the business of that customer -- even though its principal place of business is served by a central office at which the CLEC is collocated.

Second, it is very difficult in advance of actual commercial usage to determine whether physical collocation will actually work as a commercially practicable means of physically reconnecting disconnected elements. The price a CLEC must pay for physical collocation is

---

[11] The attached Affidavit of David N. Porter is a copy of an affidavit filed with the Reply Comments of WorldCom dated November 14, 1997, in Application by BellSouth Corporation et al. for Provision of In-Region, InterLATA Services in South Carolina, CC Docket 97-208.

determined on a case-by-case basis; indeed, BellSouth argues strenuously that uniform pricing is impossible "given the individualized nature of collocation arrangements." BellSouth Brief at 39. In this situation there is no substitute for actual commercial usage to demonstrate feasibility. Indeed, in denying BellSouth's South Carolina application, the Commission cited BellSouth's failure to show "that there is actual commercial usage of physical collocation anywhere in its region for the purpose of recombining unbundled network elements." South Carolina Order, ¶ 205. While BellSouth refers to a list of physical collocation arrangements in its nine-state region, it gives no information on whether these arrangements are being utilized to reconnect physically-disconnected elements, and whether this has proved to be commercially feasible. BellSouth Brief at 36; Milner Aff't at ¶ 27 & Exh. WKM-2.

In addition, a requirement for physical collocation imposes the artificial restraint of space on the number of competitors purchasing UNEs in any one central office, since physical collocation may be denied for reasons of space. 47 C.F.R. § 51.321(e), (f).

Finally, the Eighth Circuit decision, in establishing a "right to disconnect," did not specify the means of disconnection. There are several instances in which the interconnection between different elements in a telephone network is customarily controlled by means of electronics or software rather than manually. Porter Aff't ¶ 4. That is because once the physical connection is initially established, "disconnect on and reconnection through OSS software is vastly cheaper than physically sending a maintenance person to the site of connection in order to perform a physical connection or reconnection." Id. at ¶ 5. For example, the connection between the local loop and the central office,

once physically established, is subsequently controlled electronically. If the ILEC disconnects service to a customer for any reason, no physical disconnection takes place; instead, the ILEC simply instructs its switch not to let non-emergency calls through. Similarly, when reconnection is requested, no physical operation is performed; instead, the ILEC instructs its system software to achieve reconnection. Id. at ¶ 4.

A similar situation exists with respect to the switch-trunk connection. While a physical connection is established initially, it is subsequently controlled through system software. Thus when the ILEC decides to reroute traffic through different exit trunks, for example, it does not physically disconnect and reconnect wires; it simply gives the appropriate instructions through its system software. Id. at ¶ 6.

Regarding nondiscriminatory access to OSS functions, a BOC must provide access "equivalent to the access it provides to itself." Ameritech Michigan Order ¶ 128.[12] The same nondiscrimination obligation governs here. If the ILEC, when acting for its own purposes, controls disconnection and connection through an electronic process, then use of a much more expensive and disruptive physical process when the ILEC is providing network elements to competing carriers is discriminatory. Porter Aff't ¶ 5. The Eighth Circuit ruled that the ILEC could disconnect; but it did not rule that the ILEC could deliberately use the most expensive method of disconnection, when a

[12] Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-Region InterLATA Services in Michigan, 12 FCC Rcd 20543 (rel. August 19, 1997) ("Ameritech Michigan Order").

cheaper method is available and is used by the ILEC when dealing with itself rather than a competitor.

By choosing physical rather than electronic disconnection where the latter is available and used for internal purposes, BellSouth is choosing to vandalize its network for the sole purpose of "impos[ing] costs on competitive carriers that incumbent LECs would not incur," contrary to "the requirement of § 251(c)(3) that incumbent LECs provide nondiscriminatory access to unbundled elements." Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Third Order on Reconsideration, FCC 97-295 (rel. Aug. 18, 1997), ¶ 44. While the Eighth Circuit's decision necessarily implies that the competing carriers must incur cost in order to combine the unbundled elements, nothing in the decision suggests that the LEC may make that cost as high as possible when a less expensive form of exercising its "right to disconnect" is available -- particularly where the LEC uses the less expensive form when disconnecting for its own purposes.

BellSouth argues that the burden it imposes on the CLEC by physically disconnecting is not discriminatory, because it is analogous to the steps BellSouth must take when is "establishes service to a customer premises not previously served by its network." BellSouth Brief at 39. But extension of the network to premises not previously served is not the appropriate point of comparison. The intent of the Act was to enable competitive carriers to utilize the existing local network. The appropriate point of comparison for CLEC access to the network is to the steps BellSouth must take restart service to an existing point on the network which was previously disconnected (because the

customer failed to pay its bills, or moved, or for any other reason). For example, when a customer moves,

> he ILEC simply enters a service order through its OSS software directing the switch o process only emergency calls or calls to the LEC's business office. No physical peration is performed either at the customer's premises or in the central office, but disconnection is nevertheless achieved. When the next occupant requests service at that location, the ILEC against utilizes its OSS software to achieve reconnection, rather than performing any physical operation at the customer's premises or in the central office.

Porter Aff't, at ¶ 4. There is no reason why the disconnection-reconnection process followed when a new custom r moves into premises at an existing point on the network cannot also be followed when a new c rrier serves the same customer at that point on the network.

In adc ition to the unneeded and discriminatory cost burden, the choice of physical disconnection virtually guarantees that customers opting for competitive services will suffer service outages of ind finite duration when the competitive carrier seeks to reestablish connections -- service outages that v ill have a devastating and discriminatory effect on competitors' ability to attract new business.

Even f BellSouth's own internal operations were not an appropriate analogue to the process of connectio s incident to provision of unbundled elements to a competitor, the Act does not give ILECs carte blanche to impose unneeded expense on the carrier requesting access. Where there is no appropria e analogue in the ILEC's internal operations, the ILEC must show that the access it affords requ sting carriers "offers an efficient competitor a meaningful opportunity to compete." Ameritech Michigan Order ¶ 141. Since BellSouth has deliberately chosen to physically pull wires

out rather than utilizing its ability to control connection electronically, it must show that the significant expense imposed by this method -- to say nothing of the delays and interruptions of service -- is consistent with offering efficient competitors a "meaningful opportunity to compete."[13]

BellSouth also argues that to allow the CLECs to recombine elements electronically rather than physically would require it to "relinquish control over operations of the switch." BellSouth Brief at p. 40, quoting Local Competition Order, 11 FCC Rcd at 15708, ¶ 415. However, that objection would pertain only if – as under the AT&T proposal BellSouth was critiquing – the CLEC sends an electronic signal directly to the control processor of BellSouth's switch. The Commission has specifically stated that the incumbent would not be relinquishing control over operations of the switch if it were required to "receive the order and activate (or deactivate) the particular features on the customer line designated by the competing provider." Local Competition Order, 11 FCC Rcd at 15708, ¶ 415. BellSouth must recognize that the Eighth Circuit specifically based its decision on the assumption that the incumbent LEC would "allow entrants access to their networks" as needed to recombine disconnected elements. Iowa Utilities Board, supra, 120 F.3d at 813. If BellSouth refuses

[13] For example, physically disconnecting wires would cut a customer off from emergency services, while a computer disconnection can let 911 calls through. Entirely apart from the obvious public safety concerns, it seems doubtful that a threat of disruption in emergency services through physical disconnection for any customer switching service to a CLEC is consistent with affording the CLEC a "meaningful opportunity to compete," particularly when an alternative, less hazardous form of disconnection is available.

to perform the recombination itself, then it must allow whatever access is needed to allow the CLECs to give its system software the required instructions for recombination.[14]

V. BELLSOUTH'S ENTRY INTO THE INTERLATA MARKET AT THIS TIME WOULD HARM THE PUBLIC INTEREST.

WorldCom urges the Commission not to reach the public interest test in connection with BellSouth's application. The public interest analysis only takes place once a BOC has satisfied the other requirements of Section 271. Ameritech Michigan Order ¶ 381. BellSouth has not, and thus the public interest issue need not be reached. If the Commission decides to reach the public interest test, however, it should conclude that interLATA entry by BellSouth should not be allowed at this time because it would harm the public interest.

---

[14] We note the Staff Recommendation of the Texas Public Utility Commission concerning interLATA entry by Southwestern Bell in Texas, adopted by the Commission June 1, 1998:

> SWBT shall offer at least the following three methods to allow CLECs to recombine UNEs. These three methods attempt to balance SWBT's security concerns with the desire of CLECs to combine UNEs:
>
> - virtual collocation of cross-connects at cost-based rates,
>
> - access to recent change capability of the switch to combine loop port combinations, and
>
> - electronic access such as Digital Cross Connect (DCS) for combining loop and port at cost based rates, where available.

Investigation of Southwestern Bell Telephone Company's Entry into the Texas InterLATA Telecommunications Market, PUC Project No. 16251, Staff Recommendation, at p. 4, adopted by the Commission, Order No. 25 (June 1, 1998).

1. As the Commission has recognized, the public interest inquiry "should focus on the status of market-opening measures in the relevant local exchange market." Ameritech Michigan Order ¶ 385. BellSouth has a different view, arguing that the public interest supports its application because the long-distance market is now an "oligopoly," dominated by a few large carriers. BellSouth Brief at 77-82. But the local exchange market, both in Louisiana and the rest of the BellSouth region, is a monopoly, dominated by only one carrier. Moreover, as the Commission has recognized, the long distance marketplace is fully open to competition, and has been subject to a significant degree of competition for close to a decade and a half; there are no dominant carriers in the long distance marketplace; and overall long distance rates have declined significantly in the past several years.[15] In addition, recently the long-distance market has become even more competitive, as several carriers, including Qwest, IXC, Level 3 and Williams, have announced plans to construct national fiber networks or to expand existing networks significantly.[16]

---

[15] Motion of AT&T to be Reclassified as a Non-Dominant Carrier, 11 FCC Rcd 3271 (1995).

[16] Qwest is deploying a national fiber optic network that upon completion, scheduled for 1999, will cover roughly 16,000 route miles. Qwest Form 10Q, November 15, 1997, p. 19. IXC is deploying a national fiber optic network that will cover more than 20,000 route miles by the end of next year; today, IXC's network encompasses more than 11,500 route miles. See IXC's web site: http://www.ixc-comm.com/new.html. Williams Co. recently announced that it will expand its network over the next two years; U.S. West will be its "anchor tenant," with the network expected to cover more than 18,000 route miles by the end of 1998. New York Times, January 12, 1998, p. D10; U.S. West Press Release, January 5, 1998 (http://uswest.com/com/insideusw/news/010598.html). Level 3 has begun construction of a 15,000 mile coast-to-coast network, which it expects to complete by the first quarter of 2001. Level 3 Press Release, July 20, 1998, reprinted in http://www.L3.com/press releases/20Jul98.html

In short, whatever residual imperfections may still exist in the long-distance market pale in comparison to the near-total monopoly that the RBOCs still possess over the local market. On this basis alone, the focus of Congress and the Commission on competition (or the lack thereof) in the local market is fully justified.

In addition, in the long-distance market "switching customers from one long distance company to another is now a time-tested, quick, efficient, and inexpensive process." Ameritech Michigan Order ¶ 17. Moreover, the RBOCs can take advantage of at least seven competing nationwide interexchange networks, as well as a multitude of competing regional networks. Thus the RBOCs will be able to become full service providers overnight once the legal restriction on their entry into the long-distance market is lifted. By contrast, competition in the local exchange market is largely untested, and "the processes for switching customers for local service from the incumbent to the new entrant are novel, complex and still largely untested." Id. Even after all impediments to competition are removed, it will be a long time before competitive carriers will be able to offer full service to all their existing long-distance customers. Yet as BellSouth itself recognizes, the ability to offer full service is crucially important in the marketplace. BellSouth Brief at 87-89.

In light of this inherent disparity, the public interest requires that before BellSouth is allowed into the long-distance market, the Commission must have a high degree of certainty that the various methods of competitive entry into the local market contemplated by the 1996 Act are "truly available." Ameritech Michigan Order ¶ 391.

In short, Congress concluded "that BOC entry into the long distance market would be anticompetitive unless the BOCs' market power in the local market was first demonstrably eroded by eliminating barriers to competition." Ameritech Michigan Order ¶ 18. For this reason, the focus of the public interest inquiry, despite BellSouth arguments, must remain on the status of competition in the local market.

2. There are a number of significant uncertainties which make it impossible for the Commission to conclude that BellSouth's market power has been "demonstrably eroded" and competitive entry is "truly available." Ameritech Michigan Order ¶ ¶ 18, 21.

In the first place, BellSouth places major reliance on its proposed performance standards as a means of giving the Commission assurance of a competitive local market. But it has not put forward any self-executing enforcement mechanisms for such standards. In this context, and given the strong incentives for BellSouth not to comply, there is significant uncertainty as to whether the performance standards can be enforced effectively.

The Commission has said that, in assessing the public interest aspects of an application under section 271, it "would want to inquire whether the BOC has agreed to private and self-executing enforcement mechanisms that are automatically triggered by noncompliance with the applicable performance standard without resort to lengthy regulatory or judicial intervention." Ameritech Michigan Order, ¶ 394. Otherwise, the Commission observed, the "absence of such enforcement mechanisms could significantly delay the development of local exchange competition by forcing new entrants to engage in protracted and contentious legal proceedings to enforce their contractual and

statutory rights to obtain necessary inputs from the incumbent." Id.

The lack of any self-executing enforcement mechanisms for BellSouth's proposed performance standards is significant, because any enforcement proceeding arising out of violation of the performance standards is likely to be "protracted and contentious." If, during the pendency of any such proceeding, BellSouth is able to acquire new interLATA customers, BellSouth's interLATA market share could quickly grow to significant levels while its local competitors are still enmeshed in regulatory and judicial proceedings challenging competitive barriers.[17] BellSouth will thus have enormous incentive to cut corners and/or violate the performance standards, and to delay any resultant regulatory and judicial proceedings. In this context, the lack of any meaningful self-executing enforcement mechanisms weighs heavily against any determination that the public interest supports the application.

In addition, the Commission must recognize that its recently issued universal service and access reform orders only initiate the first steps in a long transition process towards rate structures that are fully conducive to local competition. As the Commission recognized in its Access Charge Reform Order, the current access charge and universal service regimes are inconsistent with vibrant local competition. Specifically, the current systems give local incumbents such as BellSouth and their long distance affiliates significant unreasonable advantages over unaffiliated local and long distance

---

[17] GTE's experience shows how rapidly an ILEC can expand in the interLATA market. Within two years of its entry into the interLATA market, it obtained some 1.7 million customers and 12% of the long distance market in its service areas. John J. Keller, "GTE Net Falls 10% Due to Cost of Expansion," Wall Street Journal, Jan. 28, 1998, at B15.

competitors. For example, while the Commission in its Access Charge Reform Order plotted out a market-based approach for a transition path that it stated would ultimately lead toward cost-based interstate access charges, that transition will take several years to implement fully. Moreover, in light of the Eighth Circuit's decision in Iowa Utilities Board, it now appears that the market-based approach may not occur as planned, and that a prescriptive approach may be needed -- a prospect that could create further uncertainty as to the timing of the transition to cost-based rates. Access Charge Reform Order ¶ ¶ 44-46. In the interim, above-cost charges interstate access will continue to significantly distort local and long distance competition. While the effect of at least some of those distortions may decline over time, at this point it is clearly premature to conclude that the local market in Louisiana is truly open to competition.

Pending the development of cost models that would enable high cost support to be distributed on a competitively neutral basis both to large incumbent LECs such as BellSouth and to competitive entrants, BellSouth continues to receive implicit support with respect to those areas. Competitors still have no access to those support flows, and therefore cannot compete against BellSouth to serve customers in those areas. It would be unreasonable to enable BellSouth to offer its rural customers full service packages (local plus long distance) when the lack of full universal service reform prevents other parties from offering such packages.

Moreover, BellSouth's refusal to offer cost-based rates for network elements that the CLEC combines to provide telecommunications service would severely disrupt the Commission's overall strategy in its "trilogy" of rulemaking proceedings to use the local competition engendered by the

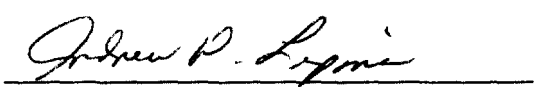
platform to drive incumbent LECs' access charges toward cost-based levels. The ability of CLECs to combine network elements without paying the higher wholesale rate is essential in order to provide consumers everywhere (even in areas where local facilities construction is uneconomic) their first competitive choices for local telecommunications and "full service" packages.[18]

The public interest requires that the Commission reject BellSouth's application.

CONCLUSION

For the reasons given, the Commission should deny BellSouth's application for interLATA entry.

Respectfully submitted,



Andrew D. Lipman
Robert V. Zener
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007-5116
202-424-7500

Catharine R. Sloan
Richard L. Fruchterman, III
Richard S. Whitt
WORLDCOM, INC.
1120 Connecticut Ave., N.W.
Washington, D.C. 20036-3902

Attorneys for WorldCom,Inc.

Dated: August 4, 1998

---

[18] See Access Charge Reform Order at ¶ 227.

ATTACHMENTS

1. Affidav t of Kelly Coburn

2. Affidavit of Dawn Rovang

3. Affidavit of David N. Porter

AFFIDAVIT OF KELLY COBURN

Kelly Coburn, being duly sworn, deposes and says:

1. My name is Kelly Coburn. I am a local service provisioner for WorldCom, Inc. in Tulsa, Oklahoma. In that capacity, I have responsibility for submitting Local Service Requests ("LSRs") for unbundled loops to BellSouth, Bell Atlantic North, Bell Atlantic South and Southern New England Telephone.

2. During the time that I have been in this position, I have discovered that the process for successfully submitting an unbundled loop LSR to BellSouth is extremely difficult and time consuming. BellSouth engages in two practices that impede the smooth flow of LSR submission.

3. First, when an LSR is initially submitted to BellSouth, BellSouth does not review the entire document for errors. Instead, when the BellSouth reviewer comes upon the first error, the reviewer rejects the LSR and returns it to WorldCom without examining the remainder of the document. WorldCom will then correct the error and resubmit the LSR. If the BellSouth reviewer comes upon a second error, the LSR is again rejected and returned to WorldCom. Again, WorldCom will correct the error and resubmit the LSR. And again, if and when BellSouth finds a third error, the LSR is returned to WorldCom.

4. This process can often continue for four to six cycles. Since BellSouth typically takes about 48 hours to return each rejected LSR, it often takes longer than a week to submit an LSR successfully -- sometimes much longer. As a consequence, delivery of service to the customer is delayed.

5. I have asked several of my BellSouth contacts why they insist on processing LSRs in this fashion. Each told me that they have been trained to reject the LSRs one error at a time and that this was BellSouth's corporate policy.

6. Second, many of the rejections seem designed to make it more difficult for WorldCom to process LSRs. For example, WorldCom's system automatically generates LSRs with the version field populated. This allows us to know that we are working with the most recent version of the LSR. Unlike the other LECs that I deal with, BellSouth automatically rejects -- with no explanation -- any LSR that is faxed to it with this field populated. Not only does this waste time, but it also makes it more difficult for WorldCom to track the status of LSRs that it has submitted to BellSouth.

I hereby swear that the foregoing is true and correct to the best of my information and belief.

Kelly Coburn
Kelly Coburn

Subscribed and sworn to before me this
27 day of July, 1998

Donna L. West
Notary Public

Commenter: WorldCom, Inc.
Applicant: Bell South
State: Louisiana
Date: July 28, 1998

AFFIDAVIT OF DAWN ROVANG

Dawn Rovang, being duly sworn, deposes and says:

1. My name is Dawn Rovang. I am a Customer Service Representative for WorldCom, Inc., located in Jackson, Mississippi. I previously was employed as a Customer Service Representative by Brooks Fiber, Inc., and stayed in that job after Brooks was acquired by WorldCom.

2. One of the resale customers for which I have responsibility is Watkins & Eager PLLC, a law firm in Jackson, Mississippi, with some 47 lawyers. The following is an account of the problems that Watkins & Eager had with its telephone service two weeks ago, on Monday, July 13, 1998:

   8:00 A.M. Customer vendor arrived to check customer's equipment.

   9:00 A.M. Customer vendor contacted WorldCom from customer premises to report customer T-1 was down. Cliff Heard (dispatcher-trouble coordinator) then called BellSouth to open a resale trouble ticket (S1000181). Cliff gave BellSouth the two circuit ID's given by the vendor and the BTN for this customer. The first response from BellSouth was that these two circuits were not resale circuit ID's. After convincing BellSouth that these circuits were indeed Watkins & Eager's, BellSouth then opened a trouble ticket on a Comminugroups (long distance carrier) T-1 circuits, It was exactly an hour and a half before BellSouth realized that the incorrect circuit was on the open Resale trouble ticket.

Commenter: WorldCom, Inc.
Applicant: Bell South
State: Louisiana
Date: July 28, 1998

10:30 A.M. BellSouth opened another resale trouble ticket (S1000184).

11:00 A.M. BellSouth closed last mentioned ticket and opened another one (S1000185). We still are not sure why ticket # S1000184 was closed. From this time forward Cliff Heard and I were in contact with BellSouth at 15 minute intervals. After about 45 minuts Cliff then escalated this ticket. We continued to escalate and contact BellSouth but were told they were seeing traffic on the T-1.

1:30 P.M. I called for a status on the ticket and was told a technician was dispatched to the BellSouth Central Office to test a repeater. I continued to call for a status.

2:30 P.M. Ticket directed to the BellSouth Translations department. Cliff Heard then paged Brenda Douglas with the BellSouth/WorldCom Account team. Brenda did not respond to the page within 30 minutes. I then paged Kathy Baker with the BellSouth/WorldCom Account team. Kathy Baker returned the call within about 30 minutes.

4:00 P.M. Kathy Baker then helped us escalate with BellSouth since a BellSouth technician had not been dispatched to the customer's site. WorldCom dispatched a technician to the site with test equipment. Upon arriving at the customer's site, the technician found there was no traffic on the BellSouth T-1.

4:30 P.M. We called BellSouth with this information in hopes it would help to dispatch a technician to the customer's site. BellSouth replied that they were still seeing traffic on the T-1 and believed this to be a Translations problem. They said a technician would be dispatched at 9:00 A.M. the next morning. We said that was unacceptable and that a technician needed to be sent today.

6:15 P.M. I spoke to Claude at the Resale Center for BellSouth and he said they were going to dispatch a technician to the customer's site. The ETA for the technician was 35 minutes. I then called the customer to inform him that a technician had been dispatched and would be arriving within about 35 minutes.

6:50 P.M. BellSouth technician arrived at customer's site. While he was testing, the WorldCom technician contacted a BellSouth technician at the BellSouth Central Office, giving him the client ID.

7:15 P.M. Watkins & Eager's service was restored with the exception of one DID line. We were advised that the corrective action taken by BellSouth was to replace a repeater in the BellSouth Central Office.

3. Watkins & Eager became a Brooks/WorldCom resale customer in March, 1997. They told me that they could not recall having had any outage of service while a BellSouth customer, which they had previously been for many years.

4. Unfortunately, difficulties such as we experienced with Watkins & Eager are not isolated occurrences. We have several customers who have called us repeatedly to say that every time it rains they either have no service on their lines at all, or cannot hear callers or the called parties because of static on the line. These customers tell us that they have been experiencing these problems ever since they switched to Brooks/WorldCom, and did not have the problem before they switched. Some of these customers are resale customers, and thus their switch to Brooks/WorldCom did not involve any alteration of their lines. Four of these resale customers have been experiencing the problem since November of last year. We

have repeatedly raised the issue with BellSouth with no result. Most recently, we raised this issue, together with other concerns, at a meeting with BellSouth management in Jackson on July 15, 1998, and were promised prompt action.

I hereby swear that the foregoing is true and correct to the best of my information and belief.

Dawn Rovang

Dawn Rovang
Customer Service Representative

Subscribed and sworn to before me this
23 day of July, 1998

Kimber L. McDowell

Notary Public

KIMBER L. McDOWELL, HINDS COUNTY, MS
NOTARY PUBLIC

MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES SEPT. 23, 2000
BONDED THRU STEGALL NOTARY SERVICE

City of Washington)
) ss:
District of Columbia)

AFFIDAVIT OF DAVID N. PORTER

1. My name is David N. Porter. I am Vice President - Regulatory Economics/Policy for WorldCom, Inc. I work with senior managers of WorldCom and its subsidiaries to develop its positions on public policy discussions before state, federal and international regulatory and legislative bodies. I oversee WorldCom's filings before the Federal Communications Commission ("FCC") and in state proceedings on economic and technical issues. I also collaborate on ongoing interconnection negotiations under the Telecommunications Act of 1996.

2. I graduated from the University of Illinois in 1968 with a Bachelor of Science degree in General Engineering and from Roosevelt University, Chicago in 1974 with a Masters in Business Administration. I am Registered as a Professional Engineer in Illinois, New Jersey and New York.

3. I began my telecommunications career in 1967 as an engineer for Illinois Bell. After assignments in traffic, outside plant, local and toll central office and toll facility engineering, I assumed duties as a service cost engineer responsible for designing and completing cost studies to support Illinois Bell rate filings and for establishing the price of equipment, land and buildings to be sold to or purchased from customers and other utilities. In 1976, I transferred to AT&T and was responsible for supervising numerous studies being completed by academicians and scientists intended to demonstrate the technical and economic harms of interconnecting competing communications networks and equipment. Later, I

worked on the AT&T team that negotiated and implemented the breakup of the Bell System. For two years following AT&T's divestiture of BellSouth and the other Bell Operating Companies in 1984, I managed the state and federal regulatory activities for AT&T Information Systems including its attempts to gain state approvals to offer shared tenant services. After that assignment, I was responsible for creating certain AT&T responses in the first triennial review of the Modification of Final Judgment. In the late 1980s, I was responsible for developing policy positions related to state regulatory issues and for managing AT&T's intrastate financial results. For several years thereafter, I advocated AT&T's interests at the FCC on matters concerning enhanced services and wireless services including spectrum management issues. My last position with AT&T was Director - Technology and Infrastructure. I was responsible for advocating AT&T's interests with Members of Congress, the FCC and their staffs on technical matters surrounding local exchange competition.

4. There are several instances in which the interconnection between different network elements in the ILEC's network is customarily controlled by electronics or software rather than manually. For example, the connection between a customer's premises via a local loop to the serving central office switch is typically established physically just once. Subsequent terminations and reprovision of service are controlled electronically. When one customer disconnects or discontinues service, the ILEC simply enters a service order through its OSS software directing the switch to process only emergency calls or calls to the LEC's business office. No physical operation is performed either at the customer's premises or in the central office, but disconnection is nevertheless achieved. When the next occupant requests service at that location, the ILEC again utilizes its OSS software to achieve reconnection, rather than performing any physical operation at the customer's premises or in the central office.

5. The reason the ILEC chooses to accomplish disconnection and reconnection electronically in the course of providing its own services to its own customers is that disconnection and reconnection through OSS software is vastly cheaper than physically sending a maintenance person to the site of connection in order to perform a physical connection or reconnection

6. A similar situation exists with respect to the connection between switches and trunks. While a physical connection obviously exists and was established at one point in time, ILECs control that connection through their system software. For example, in its internal operations an ILEC might decide, in response to shifting traffic patterns, to reroute some traffic coming into a switch through different terminating or tandem trunks. In that situation, the ILEC is essentially disconnecting one route and establishing another. This can all be done electronically through system software.

7. Any competitive carrier that seeks to acquire an ILEC's unbundled switch element must be able to combine loops and trunks with the switch, regardless of who provides the loop and the trunk. While it is technically possible for the CLEC to lease the switch alone, without the trunk and/or loops, that would usually not make economic sense.

8. Should the ILEC disconnect the loop-switch or switch-trunk connection through instructions given via its system software, the only way for the CLEC to re-establish the combination would be through direct access to the same ILEC system software. The CLEC technician must have sufficient training on use of the ILEC's system to input the necessary instructions. The only other alternative would be for each CLEC to construct duplicate network software capable of giving similar instructions in parallel to the same ILEC switch. Different ILECs and manufacturers typically have different software control systems frequently with

multiple versions. It would seem totally impracticable for each interconnecting CLEC to maintain a suite of software sufficient to match every conceivable combination of ILEC central office software.

9. If, in spite of the significant cost penalty, the ILEC were to physically disconnect network elements before making them available, it would be necessary to establish clear protocols to ensure that CLEC technicians have access needed both to physically recombine the elements and to reestablish the software instructions with a minimum of disruption of service. For example, the ILEC would have to establish (1) a procedure for notifying the CLEC when the disconnection will take place, (2) a procedure for affording CLEC technicians concurrent access to combine the elements immediately thereafter to minimize disruption of service, as well as (3) a procedure to ensure that the CLEC technicians are fully informed of the operations they will have to perform and the equipment they will need. If the ILEC were to disconnect the elements electronically, it would have to establish a procedure giving CLEC technicians (1) notice of when this will occur, (2) an opportunity for immediate access to the ILEC system software for purposes of re-establishing the combination, as well as (3) sufficient instruction in the operation of the software to enable them to accomplish that task. Such coordination creates numerous opportunities for the ILEC to cripple the CLEC's provisioning efforts.

10. The procedures that BellSouth has established for physical collocation are inappropriate in several respects for the temporary access to its network that CLEC technicians would need to re-establish network element combinations. For example, BellSouth typically does not allow CLEC technicians into its central office space. Rather, CLECs must arrange for collocation and pay ILEC charges assessed for "Space Construction Fee" and for space rental. In South Carolina, BellSouth charges $4,500 as a construction fee, which is based on construction

of a 100 square-foot enclosure. But the cross-connection of a voice-grade local exchange loop to a switch port should require at most a simple terminal block, which could be mounted in a few inches of space on a relay rack that itself occupies less than 5 square feet. In such a situation, to require a 100 square foot enclosure is grossly excessive and would require more cross-office connections than the ILEC requires when it provisions service.

11. To require physical collocation at the site of every possible central office where WorldCom might want to combine network elements that it orders from an ILEC would require a hundred fold increase in WorldCom's collocation sites. In addition to the unnecessary costs imposed, this proliferation of collocation spaces has other implications. Collocation is now performed typically at those ILEC central office nearest to the CLEC's own facilities, and is done for the purpose of connecting the two networks at points where the CLEC has or expects to have a significant number of customers. It is typically done in only a few ILEC offices when the CLEC first enters the market. At that point, the period of three to four months required to implement a collocation agreement is not necessarily disruptive, because it occurs when the CLEC is also taking other preparatory market entry steps. However, if collocation must take place before the CLEC can order unbundled network elements at central offices not involved in previous orders, then collocation will become a procedure that must occur in connection with obtaining new customers. At that point, a delay of several months would be intolerable. Either the CLEC is effectively prevented from competing for new business in new areas or it must arrange collocation in advance at any central office where it might eventually win a customer. This advance planning may well be appropriate in areas where the CLEC plans to focus its primary marketing efforts, but it is particularly unreasonable when the CLEC needs to serve only a few lines (for example, for remote locations), for customers whose principal place of business